

6887

RECORDATION NO. \_\_\_\_\_ Filed &amp; Recorded

CONDITIONAL SALE AGREEMENT

FEB 5 1973 -10 05 AM

INTERSTATE COMMERCE COMMISSION

Agreement made this 17th day of May, 1972,  
 between UNITED STATES RAILWAY EQUIPMENT CO., an Illinois  
 corporation (hereinafter termed "United") and LOUISVILLE,  
 NEW ALBANY & CORYDON R.R. CO. (hereinafter termed "Railroad").

R E C I T A L S

United owns fifty (50) fifty (50) ton capacity  
 box cars which United intends to rebuild and renovate (said  
 rebuilt and renovated cars being hereinafter termed "Cars").  
 The Railroad desires to purchase and United desires to sell  
 the Cars, all upon the terms and conditions hereinafter set  
 forth.

AGREEMENT

It is agreed:

1. Conditional Sale of Cars. Railroad hereby pur-  
 chases from United, and United hereby sells to  
 Railroad, fifty (50) Cars with Car Numbers as set forth  
 in Exhibit "A" attached hereto, or such lesser number of  
 Cars as shall be delivered to and accepted by the Railroad  
 pursuant to Paragraphs 3 and 4 hereof.

2. Purchase Price. The purchase price for the  
 Cars shall be:

(a) Nine Thousand One Hundred Dollars  
 (\$9,100.00) per Car, for each Car rebuilt in  
 accordance with Series A Specifications  
 (hereinafter defined) and;

6887

RECORDATION NO. \_\_\_\_\_ Filed &amp; Recorded

FEB 5 1973 -10 05 AM

INTERSTATE COMMERCE COMMISSION

(b) Eleven Thousand Fifty Dollars (\$11,050.00) for each Car rebuilt in accordance with Series B Specifications (hereinafter defined), all f.o.t. the place of delivery, specified in Paragraph 3 hereof, or an aggregate price for all fifty Cars not to exceed Four Hundred Seventy Thousand Six Hundred Dollars (\$470,600.00) plus interest as hereinafter set forth. The total purchase price to be paid by Railroad to United hereunder shall be determined by multiplying the number of Cars delivered and accepted pursuant to Paragraph 3 by the per Car price. Such total price shall be payable, together with interest on the amount of the balance of the total purchase price remaining unpaid from time to time, at the rate of eight per cent (8%) per annum in forty (40) equal quarterly installments of principal and interest commencing ~~October 1, 1972~~ <sup>APRIL 1, 1973</sup> *Per 107B*. Interest shall accrue from the date of each certificate of acceptance on so much of the purchase price as is allocated to the Car or Cars covered by such certificate of acceptance. All interest accrued to and including ~~October 1, 1972~~ <sup>APRIL 1, 1973</sup> *Per 107B* shall be paid on that date, and interest accruing thereafter shall be payable as hereinabove provided together with principal.

3. Delivery. United shall deliver the Cars to the Baltimore and Ohio Railroad, f.o.t. Washington, Indiana for disposition as per direction of the Railroad. The actual date on which Cars are delivered and accepted as provided herein shall be the "date of delivery" as that term is used in this agreement. All of the Cars

*Revised*  
*JANUARY 1, 1973*

shall be delivered on or before ~~September 30, 1972~~ unless *WAB*  
delivery is delayed due to causes beyond United's reasonable  
control, such as, but not limited to, labor difficulties, fire  
and delays of suppliers of cars or parts thereof, carriers  
and materialmen; provided, however, that in no event shall  
Railroad be obliged to accept Cars after ~~February 28, 1973~~ *JUNE 1, 1973 WAB*  
Any Cars not delivered within the time fixed or permitted  
herein shall be excluded from this agreement and the parties  
hereto shall be released from their respective obligations  
with respect to such Cars.

4. Rebuilding Specifications; Inspection and  
Acceptance of Cars. United shall rebuild and  
renovate forty-two Cars in accordance with the requirements  
entitled "Series A Specifications" and eight Cars in accor-  
dance with the requirements entitled "Series B-Specifications".  
The Series A and B Specifications are attached hereto as  
Exhibit "B".

Railroad will cause its inspector to inspect  
each Car at the point of delivery and, if such Car is in  
condition satisfactory for movement in interchange traffic as  
required by the Code of Rules Governing the Condition of,  
and Repairs to, Freight and Passenger Cars for the Interchange  
of Traffic of the Association of American Railroads (herein-  
after called the Interchange Rules), meets the applicable  
Specifications set forth in Exhibit "B" attached hereto, and  
is marked as required by Paragraph 8 hereof, will cause such  
inspector to accept such Cars and issue and deliver to United  
a certificate of inspection and acceptance substantially in  
the form and text attached hereto as Exhibit "C".

5. Title to Cars. United shall and does hereby retain full legal title to and property in all Cars subject to this agreement until Railroad shall:

(i) have made all payments of principal and interest due on account of the total purchase price for all Cars subject to this agreement;

(ii) have made all other payments required to be paid or expended hereunder; and

(iii) (pending compliance with (i) and (ii) ) have kept and performed all covenants herein provided to be kept, made and performed by Railroad,

notwithstanding the delivery of the Cars to Railroad, and Railroad's right to use same as provided herein, and notwithstanding that payment has been made of the purchase price and interest thereon attributable to some, but not all of the Cars. When and only when Railroad shall have, done and performed all things required by Subparagraphs (i), (ii) and (iii) of this Paragraph 5, title to and all property in the Cars shall pass to and vest in Railroad without further transfer or action by United, but United or its assignee (if any) shall, if requested by Railroad, execute and deliver to Railroad a bill or bills of sale for all Cars delivered and accepted hereunder, transferring title to and property in such Cars to Railroad, free and clear of all liens and encumbrances existing at the time of delivery of Cars to Rail-

road hereunder or created by or through any act, default or omission of United or its assignee (if any), and shall execute for record or filing in public offices such instrument as may be necessary or appropriate to confirm title in Railroad upon such public records.

6. General Covenants of Railroad. With respect to any and all Cars delivered and accepted hereunder, Railroad shall from the date of delivery and acceptance keep, observe and perform the covenants, conditions and obligations hereinafter set forth, all at its own cost and expense and without any loss, cost or expense to United.

A. Repair and Maintenance. Railroad will repair, maintain and keep all Cars delivered to and accepted by it, in good order and repair, and will make all replacements, changes or additions thereto to the extent necessary or required in order that the Cars will meet the Interchange Rules for continuing such Cars in main line interchange service, as well as all laws and regulations of all jurisdictions, state, federal or local, which may be applicable to the Cars or any of them, or the use and operation thereof, including specifically but not exclusively, the United States Safety Appliance Acts and the Interstate Commerce Act and regulations thereunder. All such replacements,

repairs, equipment, changes and additions placed upon the Cars shall become a component part thereof and United shall have full title thereto until title passes or is conveyed to Railroad under Paragraph 5. If any Cars are lost, stolen, destroyed or damaged beyond economical repair in Railroad's opinion, then if Railroad shall make the payments and do such other things as required by Paragraph 10, such Cars shall no longer be deemed to be Cars subject to this agreement, and title to such Cars or the remains thereof shall thereupon vest in Railroad.

B. Use and Possession. So long as Railroad is not in default hereunder, it shall be entitled to possession of each Car from the date of delivery thereof and may use or permit the use of such Cars (i) upon lines of railroad owned or controlled by it or over which it has rights for operation of its trains; and (ii) upon the lines of other railroads in the usual interchange of traffic for such compensation as Railroad may determine, but at all times subject to the terms and conditions of this conditional sale agreement; provided, however, that the Cars shall, at all times, be used in a manner and for purposes customary for such Cars.

C. Taxes and Other Levies. Railroad shall promptly pay all taxes, assessments and other

governmental charges, including sales, use or ad valorem taxes, levied or assessed upon the sale of the Cars by United to Railroad hereunder or upon the Cars or the interest of United therein, or any thereof, or upon the repair, use or operation thereof, or the earnings arising therefrom, and if any levy or assessment is made against United on account of any of the foregoing matters, Railroad will promptly pay or reimburse United for same; but Railroad shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings, contest the validity or amount thereof unless thereby, in the judgment of United, the rights or interests of United will be materially endangered. In the event that any tax reports are required to be made on the basis of individual Cars, Railroad will either make such reports in such manner as to show the ownership of such Cars by United or will notify United of such requirements and will make such reports in such manner as shall be satisfactory to United.

D. Liens. Railroad (or anyone claiming an interest of any kind by or through Railroad) shall keep the Cars free from any encumbrances or liens which may be a cloud upon or otherwise affect United's title, and shall promptly discharge any legal process which may be levied upon the Cars

in any action, provided such encumbrance, lien or action shall arise out of any act or omission of Railroad or its failure to comply with the provisions of this agreement.

E. Indemnity. Railroad shall assume and does hereby assume and agree to indemnify, protect, save and keep harmless, United from and against any and all legal process, losses, damages, injuries, claims, demands and expenses (including legal expenses) arising out of any act, omission, or thing relating to this agreement or the Cars occurring on or after the date of delivery thereof to Railroad, including specifically but not exclusively: (i) expenses arising out of or on account of the use or incorporation by Railroad of any invention in a Car or infringement of patents; and (ii) the condition (including without limitation, latent and other defects and whether or not discoverable by United), or operation of any Car regardless of by whom used or operated; and (iii) any act or occurrence arising out of the repair or maintenance of any Car. The indemnities and assumptions of liability herein contained shall continue in full force and effect notwithstanding full payment of the purchase price for and transfer of title to all Cars, and notwithstanding the satisfaction of and discharge of this agreement or the termination of this



agreement in any other manner. United shall, upon learning of same, give the Railroad prompt notice of any claim or liability hereby indemnified against.

7. Warranties. United warrants that at the time of delivery and acceptance of a Car by Railroad hereunder, United will have title thereto free and clear of all liens and encumbrances of any nature, except the rights of Railroad as conditional vendee under this agreement and of anyone claiming under Railroad as such conditional vendee. United warrants that the Cars will be rebuilt and renovated in accordance with the Specifications set forth in Exhibit B hereof and that all work so performed by United will be free from defects in material and workmanship under normal use and service. United's obligation under this Paragraph 7 being limited to making good at its plant any part or parts of the material or any work which it supplied or performed in renovating and rebuilding the Cars; provided, however, that the part or parts or the Car (whatever is appropriate) has been returned to United with transportation charges prepaid within one year after delivery of such Car, and provided that United's examination shall disclose to its satisfaction that work or material supplied by it was in fact defective under normal use and service. The foregoing warranty of United is expressly in lieu of all other warranties,

express or implied including any implied warranty of merchantability or fitness for a particular purpose, and of all other obligations or liabilities on the part of United.

8. Car Markings. Prior to acceptance by Railroad of each Car pursuant to Paragraph 4 hereof, the same shall be distinctly, permanently and conspicuously marked in stencil with the name of the Railroad and the number assigned to such Car by Railroad and with a legend on each side in letters not less than three-quarter inches (3/4") in height showing that ownership of such Car is in United or, if United shall have transferred its rights hereunder to an assignee pursuant to Paragraph 16 hereof in such assignee and with any other language as may be required from time to time by law in order to protect the title of United or its assignee to the Cars and their rights under this agreement. Railroad shall promptly apply such stencilling, after Cars are made available to it for the purpose, and shall promptly replace any such stencilling which may be removed, destroyed or become illegible wholly or in part, provided that United shall furnish all stencils required for such use at its own cost and expense. Except for the numbering and stencilling as provided herein, Railroad shall keep the Cars free from any marking or labeling which might be interpreted as a claim of ownership thereof by Railroad or by any other party other than United or any trustee or assignee of its interest.

9. Inspection - Inventory. Until title to the Cars have become vested in Railroad, United shall have the right at its own cost and expense to inspect

the Cars at any reasonable time or times whether on Railroad's line or elsewhere. Railroad shall, on December 1 in each year, commencing December 1, 1974, furnish to United two (2) copies of an accurate inventory of all Cars in service.

10. Loss of Cars or Irreparable Damage. In the event any of the Cars shall be lost, stolen, destroyed, or damaged beyond economical repair in Railroad's opinion, then Railroad agrees to pay to United the unpaid balance of the purchase price of such Car, together with unpaid interest thereon accrued to the date of such payment.

11. Default. Upon the happening of any of the following events, the Railroad shall be in default of the terms and provisions of this agreement:

A. Non-payment by the Railroad within ten (10) days after the same become due of any installment of principal or interest on account of the purchase price hereunder; or

B. Making or permitting by the Railroad of any unauthorized assignment or transfer of its interest in this agreement or the Cars, or any thereof, and failure or refusal to cause such assignment or transfer to be cancelled by agreement of all parties claiming any interest therein and to recover possession of such Cars within thirty (30) days after written notice from United to Railroad demanding such cancellation and recovery of possession; or

C. Failure of Railroad to comply with or perform any of the other terms and conditions of this agreement within thirty (30) days after written notice from United to Railroad demanding compliance therewith and performance thereof; or  
D. A decree or order by a court having jurisdiction in the premises shall have been entered,

(1) adjudging Railroad a bankrupt or insolvent; or

(2) approving as properly filed a petition seeking reorganization of Railroad under the Bankruptcy Act or any other state or federal law relating to Bankruptcy or insolvency; or

(3) for the appointment of a receiver, liquidator or trustee in bankruptcy or insolvency of Railroad or of its property or any substantial portion of its property, and within sixty (60) days thereafter (or in case, prior to the end of such sixty (60) day period, a temporary or permanent receiver or trustee shall have been appointed in such proceedings, then within sixty (60) days after United shall have demanded in writing that such receiver or trustee take action to assume or reject this agreement) the obligations of Railroad under this agreement shall not have been assumed by the receiver or trustee in such proceedings, pursuant to an order or decree of such court or otherwise, in such manner that they shall have given a status comparable to that of those

obligations incurred by a receiver or trustee in bankruptcy or insolvency proceedings which cannot later be rejected by a plan of reorganization.

In the event of the happening of any of the foregoing events (herein sometimes called "events of default") United at its option may by notice in writing delivered to Railroad declare due and payable the entire unpaid balance, together with accrued interest thereon, of the purchase price of the Cars, and, thereupon, same shall become due and payable immediately without further demand, notice or presentment of any kind, and United shall thereupon be entitled to recover judgment for the entire amount so payable by Railroad with interest thereon.

12. Remedies. Railroad agrees that upon the happening of any event of default, United shall in addition to all rights and remedies now or hereafter provided by law for the repossession of the Cars and for the recovery of any loss or damage occasioned by the default, have the rights and remedies hereinafter specified. At any time after notice of declaration of default, United may without further notice or demand except to the extent necessary to comply with any mandatory legal requirements, take possession of all or any of the Cars wherever same may be found and for that purpose may enter upon any premises of any person whatsoever having possession of the Cars. For this purpose, United may use any supplies, services and aids and any available trackage and other facilities of Railroad.

without process of Law and solely at Railroad's expense. Railroad shall deliver the Cars at Railroad's cost to such place or places as United may reasonably designate on Railroad's line and shall afford to United the right to store the Cars on its premises for sixty (60) days without charge at point or points reasonably selected by United. It is hereby expressly agreed that performance of this agreement with respect to delivery and possession of the Cars in the event of default is the essence of the agreement between the parties and that upon application to any court of equity having jurisdiction in the premises, United shall be entitled to a decree against Railroad requiring specific performance hereof. United may retain all payments which up to the date of the notice of default may have been made on account of the purchase price and shall be entitled to collect, receive and retain any and all other income earned or accrued after the date of the notice of default on account of the Cars. United may, with or without taking possession thereof, resell the Cars at public or private sale with or without notice to Railroad and with or without having the property at the place of sale, free from any and all claims of Railroad or of any other party claiming by, through or under Railroad at law or in equity, all subject to and in compliance with all mandatory legal requirements then in force and applicable to such sales, United may bid at any such sale and become the purchaser of the property. From the proceeds of such sale, United shall deduct all necessary expenses for retaking, storing and reconditioning the Cars,

as well as all other necessary expenses and costs (including attorneys' fees reasonably incurred) of enforcing or exercising its rights hereunder. The balance shall be applied to the payment and satisfaction of all amounts required to be paid or expended by Railroad pursuant to any provisions of this agreement. In case the proceeds of sale are insufficient to pay the amounts due as aforesaid, Railroad shall be liable for the deficiency with interest thereon from the date of sale; and any surplus of such proceeds shall be promptly paid to Railroad.

13. Severability - Waiver. If any term or provision of this agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby and each provision of this agreement shall be valid and be enforced to the fullest extent permitted by law. Failure of United to exercise any rights hereunder upon an event of default, shall not constitute a waiver of any such right and such rights may be exercised at any time whether or not upon the continuation or recurrence of the event of default giving rise to such rights.

14. Terminology. In construing any language contained in this agreement, no reference shall be made and no significance given to paragraph titles,

such titles being used only for convenience of reference. Where the context so requires, the singular shall include the plural and vice versa.

15. Benefit. The covenants, conditions and agreements contained in this agreement shall bind and inure to the benefit of the parties, their successors and assigns (to the extent same are permitted hereunder) and the term "United" and the term "Railroad" shall mean respectively all of the foregoing persons who are at any time bound by the terms hereof or entitled to claim the benefit of the terms hereof. Without limiting the generality of the foregoing, the indemnities and other undertakings of the Railroad contained in Paragraph 6 hereof, shall apply to and inure to the benefit of any trustee or assignee of United and shall continue to apply to and inure to the benefit of United after any such assignment, subject only to the provisions of Paragraph 7 hereof.

16. Assignment by United. All rights of United hereunder may be assigned and thereafter reassigned from time to time. Upon any such assignment, United and the assignee shall give written notice to Railroad together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee. United's assignee or any successor assignee shall be entitled to all rights of United hereunder covered by such assignment. Upon any such assignment, United shall have no further right, title and interest and no further liability,



and obligations hereunder, except as hereinafter in this Paragraph 16 expressly otherwise provided. No such assignment shall: (i) subject any assignee to any obligation or liability whatsoever under this agreement or in respect of the Cars (and no liability or obligation of United hereunder or in respect of the Cars shall be enforceable in any manner against such assignee), except a duty not to interfere with Railroad's possession and use of the Cars so long as there shall be no default under this agreement, and if it shall be obligated to do so under the provisions of Paragraph 5 hereof, to execute and deliver to Railroad thereunder a bill or bills of sale for the Cars delivered to and accepted by Railroad; or (ii) relieve United from its obligations to Railroad under Paragraph 7 hereof; or (iii) relieve Railroad from its obligations to United under Paragraph 19 hereof; or (iv) relieve Railroad from liability to United in respect of Railroad's obligations under Paragraphs 6, 16, 19 and 21 hereof, which obligations referred to in this subparagraph 16 (iv) shall, from and after such assignment, inure to the benefit of both United and its assignee, including the assigns of any assignee. Railroad understands that United contemplates assigning this agreement or some or all of its rights hereunder. Railroad expressly represents for the purpose of assurance to any person, firm or corporation, considering the acceptance of the assignment of this agreement or of all or any of the rights of United hereunder, and for the purpose of inducing such acceptance, that in the event that this agreement or United's rights hereunder is assigned by United or reassigned by any assignee

as herein provided, neither the obligation of Railroad to pay the purchase price of the Cars accepted by it together with interest thereon, nor any other obligation of Railroad nor any right of such assignee hereunder, shall be subject to any defense, offset, counterclaim or recoupment whatsoever arising out of any breach of any obligation of United to deliver any Cars hereunder, or in respect of any of United's obligations contained in Paragraph 7 or any interruption or termination of Railroad's possession of the Cars (unless caused by the wrongful act of such assignee) or otherwise under or in respect of this agreement or the Cars, and shall not be subject to any defense, offset, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Railroad by United or by any prior assignee. If requested by United or any assignee, Railroad will execute an acknowledgement of assignment in the form attached hereto as Exhibit "D".

17. Assignment by Railroad. Railroad shall not assign its right hereunder without the written consent of United; provided, however, that Railroad may assign all of its rights under this agreement to another railroad corporation which succeeds to all or substantially all of the business of the Railroad providing that such successor assumes all of the obligations of Railroad hereunder. Railroad shall have the right to lease any of the Cars, subject at all times to the terms hereof. No assignment or leasing by Railroad shall serve to relieve Railroad of its obligations hereunder or otherwise modify, alter or affect the terms and provisions of this agreement.

18. Applicable State Laws. Any provision of

this agreement prohibited by any applicable law of any state or which under any applicable laws of any state would convert this agreement into an instrument other than an agreement of conditional sale, shall as to such state be ineffective without modifying the remaining provisions of this agreement. If, however, the conflicting provisions of any applicable state law may be waived by Railroad, Railroad agrees that such provisions are hereby waived to the fullest extent permitted by law to the end that this agreement shall be deemed to be a conditional sale and enforced as such.

19. Opinion of Counsel. Upon the request of

United or its assignee at any time or times, Railroad shall deliver to United or such assignee the opinion of its counsel addressed to United or its assignee stating: (i) that Railroad is a corporation duly existing and in good standing under the laws of the State of Indiana; (ii) that Railroad has corporate power to enter into this agreement; (iii) that all corporate action necessary to the authorization, performance and validity of this agreement has been duly taken; (iv) that this agreement has been duly executed and delivered by Railroad; (v) that this agreement is valid, binding and enforceable in accordance with its terms; and (vi) that no consent or approval of any governmental authority or regulatory body is required to render this agreement valid and enforceable or, in the event such consent is required, that same has been duly and properly obtained.

20. Notice. Any notice required or permitted to be given pursuant to the terms of this agreement shall be properly given when deposited in the United States mail, first class, postage prepaid, addressed to:

United at: 2200 East Devon Avenue  
Des Plaines, Illinois 60018

and

Railroad at: Corydon, Indiana

or at such other address as Railroad may from time to time designate by notice in writing. The address of United from which information may be obtained concerning the security interest hereby created is that specified above.

21. Recording. Prior to the delivery and acceptance of the first Car, United intends, without expense to Railroad, to cause this agreement and the first assignment hereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20 (c) of the Interstate Commerce Act. The Railroad will from time to time do and perform any other act and will execute acknowledge, deliver, file, register and record this agreement or (and will refile, re-register or re-record whenever required) any and all further instruments required by law or reasonably requested by United, for the purpose of proper protection, to the satisfaction of counsel for United, of its title to the Cars, or for the purpose of carrying out the intention of this agreement. The Railroad will pay all costs, charges and expenses incident to the filing, re-filing, registering, re-registering, recording and re-recording of this agreement (other than the first recording with the

Interstate Commerce Commission) and of any such further instrument or incident to the taking of any such other action, and will furnish to United certificates or other evidence of any such action.

22. Governing Law - Writing. The terms of this agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois. The terms of this agreement and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

23. Counterparts. This agreement may be executed in any number of counterparts, and such counterparts shall constitute but one and the same contract, which shall be sufficiently evidenced by any one such counterpart.

IN WITNESS WHEREOF, United and Railroad have duly executed this agreement as of the date and year first above written.

UNITED STATES RAILWAY EQUIPMENT CO..  
an Illinois Corporation

BY: *R. B. Bell*  
Vice President

ATTEST:  
*W. D. H. H. H.*  
Asst. Secretary

LOUISVILLE, NEW ALBANY & CORYDON R.R. CO.

BY: *J. M. Buchanan*  
J. T. S. President

ATTEST:  
*Laura D. Buchanan*  
Secretary

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On the 27th day of Dec, 1972, before  
me personally appeared R. E. Bell  
to me personally known, who being by me duly sworn, says that  
he is Vice President of United States Railway  
Equipment Co., an Illinois corporation, that the seal affixed  
to the foregoing instrument is the corporate seal of said  
corporation, that said instrument was signed and sealed on  
behalf of said corporation by authority of its Board of  
Directors, and he acknowledged that the execution of the  
foregoing instrument was the free act and deed of said  
corporation.

Ann Vamburgh  
Notary Public

NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION 19 1976  
Issued through Indiana Notary Assoc.

STATE OF INDIANA )  
 ) SS  
COUNTY OF HARRISON

On the 31<sup>ST</sup> day of JULY, 1972, before  
me personally appeared WILLIAM BUCHANAN  
to me personally known, who being by me duly sworn, says that  
he is THE President of Louisville, New Albany & Corydon  
R.R. Co., that the seal affixed to the foregoing instrument  
is the corporate seal of said corporation, that said instru-  
ment was signed and sealed on behalf of said corporation by  
authority of its President and Directors, and he acknowledged  
that the execution of the foregoing instrument was the free  
act and deed of said corporation.

Ann V. Vamburgh  
Notary Public

EXHIBIT A

ATTACHED TO CONDITIONAL SALE AGREEMENT  
DATED THIS \_\_\_\_\_ DAY OF MAY, 1972 BY  
AND BETWEEN UNITED STATES RAILWAY EQUIPMENT  
CO., AND LOUISVILLE, NEW ALBANY & CORYDON  
R.R. CO.

LIST OF CAR NUMBERS

LNAC 2000 - LNAC 2049, Inclusive

EXHIBIT C

CERTIFICATE OF INSPECTION AND ACCEPTANCE

ATTACHED TO CONDITIONAL SALE AGREEMENT  
DATED THIS \_\_\_\_\_ DAY OF MAY, 1972 BY AND  
BETWEEN UNITED STATES RAILWAY EQUIPMENT CO.  
AND LOUISVILLE, NEW ALBANY & CORYDON R.R. CO.

The undersigned, Louisville, New Albany & Corydon  
R.R. Co. (hereinafter called the "Railroad"), through its  
duly authorized inspector, certifies that it has inspected  
\_\_\_\_\_ 50-ton capacity box cars bearing numbers  
as follows:

PRESENT CAR  
NUMBERS

NEW NUMBERS TO  
BE ASSIGNED

which cars have been delivered to the Railroad pursuant  
to a Conditional Sale Agreement between United States Railway  
Equipment Co. and the Railroad dated the \_\_\_\_\_ day of  
May, 1972, and that such cars comply with the requirements  
of said Agreement and are hereby accepted by the Railroad  
pursuant thereto, at the place and date stated below.

LOUISVILLE, NEW ALBANY &  
CORYDON R.R. CO.

By: \_\_\_\_\_  
Authorized Inspector

Dated and signed at

\_\_\_\_\_ this  
\_\_\_\_\_ day of \_\_\_\_\_, 1972.



EXHIBIT D

ACKNOWLEDGMENT OF ASSIGNMENT

ATTACHED TO CONDITIONAL SALE AGREEMENT  
DATED THIS \_\_\_\_\_ DAY OF MAY, 1972 BY  
AND BETWEEN UNITED STATES RAILWAY EQUIP-  
MENT CO., AND LOUISVILLE, NEW ALBANY &  
CORYDON R.R. CO.

Louisville, New Albany & Corydon R.R. Co. hereby  
acknowledges receipt of a copy of the foregoing Agreement  
and Assignment dated the \_\_\_\_\_ day of May, 1972, by  
and between United States Railway Equipment Co., an Illinois  
corporation and Louisville, New Albany & Corydon R.R. Co.  
and hereby consents to said Agreement and Assignment and  
acknowledges that as of the date hereof payments of princi-  
pal or interest have been made on account of the cars  
described in Exhibit "A" attached to such Agreement and  
Assignment.

LOUISVILLE, NEW ALBANY & CORYDON R.R. CO.

By: \_\_\_\_\_

Dated and signed at

\_\_\_\_\_.  
this \_\_\_\_\_ day of May,  
1972.

EXHIBIT B

ATTACHED TO CONDITIONAL SALE AGREEMENT DATED THIS  
DAY OF MAY, 1972 BY AND BETWEEN UNITED STATES  
RAILWAY EQUIPMENT CO., AND LOUISVILLE, NEW ALBANY &  
CORYDON R.R. CO.

Preliminary Specification

Est. #376

March 7, 1972

SPECIFICATION - SERIES "A"

COVERING

PROCEDURE TO BE FOLLOWED FOR

42 - 40' 50-Ton Box Cars

REBUILT

MARCH 7, 1972

EST. #376

A. GENERAL

1. This specification covers repairs required to rebuilt subject cars to Class A condition.

The cars will carry a rebuilt date.

Each car will be modified in a substantial and workmanlike manner in accordance with A.A.R. and D.O.T. requirements for rebuilt cars.

2. The specification, also, covers the reconditioning or replacement of specialty items necessary to update and extend the life of the car.
3. The 42 cars are to be taken from Monon 8000-8099.
4. All repairs are to be made in kind except for items covered in this specification.
5. All scrap steel and specialties to remain the property of U. S. Railway Manufacturing Company.

B. ROOFS

1. New galvanized roof to be applied without roof running boards. Seam caps to be #12 gage and roof sheets to be minimum of #14 gage.
2. Roof to be attached to superstructure by means of huck type bolts or rivets, at the option of the U. S. Railway Equipment.
3. No paint to be applied to interior or exterior surfaces of roof.
4. A suitable caulking compound is to be applied to the seam caps, and around the outside perimeter of roof sheets.

C. DOORS

1. New Superior Steel sliding doors to suit 8'-0" door opening located on center line of car. The doors are to be furnished complete with fixtures and all accessory equipment. Door car side parts to be replaced.
2. No direct light is to be seen when door is closed and inspected from the inside of car. Reflective light is permissible.

D. SAFETY APPLIANCES

1. Roof running boards to be removed with safety appliances to be in accordance with latest D.O.T. arrangement for hand brake.
2. All ladder rungs, grabs, brackets, and stiles to be straightened or replaced as required.

D. SAFETY APPLIANCES (cont'd)

3. Safety appliances will be attached by Huck type bolts or rivets at the option of the U. S. Railway Equipment Co.

E. FLOOR

1. New floor to be installed consisting of horizontal laminated 2 1/4" x 11".
2. The floor boards extend from side sill to side sill.
3. Caulking is applied between the side sill and floor boards.
4. Grain strips are applied at each side of the car in accordance with AAR standards.
5. The heads of all bolts securing the floor, and the threshold plate, must be set at least 1/32" below top plane of each.
6. Each floor board is to be secured by at least 8 bolts. The attachment is to be by means of McLean-Fogg watertight bolts with floor clips and #2 speed nuts; or Huck or Townsend type bolts with clips and collars.
7. Suitable non-staining caulking compound to be used between edge of floor and end of threshold plate; and at the bottom of the door posts and floor.
8. Decking to be light sanded after application to car.

F. END LINING

1. New wooden end nailers of yellow pine to be applied as required. End nailers to be fastened to the steel end with weld studs and nuts.
2. New end lining to be installed. End lining to be 3/4" AC exterior grade plywood. Moisture content to comply with AAR limits.
3. New end ling top retainer to be applied.
4. The end lining is to rest on top of the floor.
5. The endlining nail heads are to be below surface of wood so that surface is smooth.

G. SIDE LINING

1. Door post nailers to be renewed.
2. Side post nailer and corner post nailer to be replaced where rotted, or where there are excessive holes and splits.
3. Side and corner post nailers, where replaced, to be secured with three 1/2" bolts through side and corner posts with ends of bolts peened over the nuts.
4. Remainder of old side and corner post nailers to be checked for tightness and secured as found necessary.
5. New side lining to be installed. Side lining to be 3/4" AC exterior grade plywood. Moisture content to comply with AAR limits.
6. The side lining is to be securely fastened to the vertical nailers with screw or ring nails. Heads of nails are to be below surface of wood so that surface is smooth.

H. DRAFT GEAR AND COUPLER ASSEMBLY

1. The couplers, coupler carriers, draft gears, yokes, and followers are to be removed from all cars.
2. Draft gears to be reconditioned.
3. The coupler, locks and knuckles to be inspected for wear and cracks, and replaced as required with reconditioned or secondhand, to comply with AAR requirements.
4. The coupler yokes are to be inspected for wear and cracks, and if not acceptable with AAR limits will be replaced with secondhand or reconditioned yokes.
5. Draft keys are to be inspected and replaced if worn or distorted beyond AAR limits.
6. Draft gear followers are to be inspected and replaced if defective or dimensions are no longer within AAR limits.
7. Coupler carrier wear plates to be inspected and repaired as required.
8. Draft key slots to be repaired as required.
9. Draft key washers to be applied.

I. TRUCKS

1. All cars are to be furnished with 5 1/2" x 10" trucks for 50-Ton capacity.
2. Trucks are to be removed and disassembled for inspection and all parts are to comply with Interchange Rules.
3. Side frame column guides and bolster column gibs are to be restored to their original dimensions.
4. Existing side frames to be modified to accept roller bearings.
5. New steel wheels and roller bearings to be mounted on existing axles.
6. Ride Control friction castings & springs to be gaged and replaced as required.
7. All trucks to be equipped with AAR approved #18 brake beams.
8. All other truck parts to be repaired or replaced in kind as required.
9. Truck to be equipped with 2 1/2" minimum travel spring.

J. BRAKES

1. All air brake components are to be inspected and repaired in accordance with AAR and Interchange Rule.
2. Air brake equipment to be cleaned, oiled, tested, and stencilled as of date released from our plant.
3. If necessary to replace angle cock and/or combined dirt collector and cutout cock, "o" ring seal key shall be used.
4. Reconditioned hand brake to be applied. Hand brake to remain in high position.
5. U-Bolts are to agree with requirements of Interchange Rule.
6. Welded type pipe clamps are to be applied.
7. Angle cock to be relocated to agree with AAR requirements.

J. BRAKES (cont'd)

8. Retainer valve is to be relocated to side sill area in accordance with AAR location.
9. Brake cylinder release valve to be applied.
10. Lock type insert nuts to be applied at brake cylinder, brake reservoir, and triple valve.
11. Double acting slack adjuster to be applied.
12. Three position retainer valve to be applied.
13. Trainline -- 1 1/4" pipe and 1" branch pipe to have welded fittings applied, threadless fittings to be applied to 3/4" and 3/8" pipe.

K. ROUTE AND PLACARD BOARDS

1. New route and placard board brackets and boards to be applied.

L. UNDERFRAME

1. A 5/16" formed side sill reinforcement to be applied, extending from bolster to bolster. This reinforcement to be attached to the side sill angle by means of welding & Huck bolts at crossties, crossbearers & bolsters.
2. Body bolster sole plates to be applied, 1/2" plate.
3. Bolster web to center sill connection angles 6" x 3" x 5/16" are to be applied. Connection to be by rivets at center sill and welding to bolster webs.
4. Bolster top cover plate reinforcement to be applied.
5. Crossbearers and crossties to be repaired as required.
6. Center plates to be repaired or renewed as necessary.
7. Loose or missing rivets are to be renewed.
8. A 1/2" reinforcing plate is to be applied at the draft key-way area of the center sill. This plate is to be riveted and slot welded to the center sill.
9. Existing center sill is now 36.2# per foot. This to be repaired and built up to conform to AAR Rule for 41.2# per foot.

L. UNDERFRAME (cont'd)

10. Cars now have (2) stringers each side of center sill extending from bolster to bolster and bolster to end sill. A Third row of 3" I @ 5.7# Ft. standard floor stringers is to be added each side of center sill extending from bolster to bolster and from bolster to end sills.

M. SUPERSTRUCTURE

1. A 5/16" exterior door gusset reinforcement will be applied at each bottom corner of the door opening. This gusset will be attached to the door post, side sill, and reinforcement by welding, and by Huck type bolts.
2. Corner posts or side posts corroded beyond 50% of the original section at the bottom are to have a new 12" splice piece, of same section, welded in place.
3. If side sheets are corroded at the side sill more than 50% of the original thickness, a 1/8" thick sheet is to be applied to the exterior, extending at least 1" beyond the corroded area and continuously welded all around.
4. The door opening is to be increased to 8'-0".
5. A 3/8" flat bar to reinforce side plate will be added in the doorway extending to the first side post beyond the door posts, and attached by means of Huck type bolts.
6. New threshold plates are to be installed.
7. End sill angles to be repaired or replaced as necessary.
8. Metal ends to have reinforcing plates applied over area of striker casting.
9. If end sheets have been bulged out, they will be straightened to within 1/2" of vertical, wherever possible.
10. Side sheets and posts to be straightened.

N. PAINTING

1. Car exterior surface to be cleaned prior to painting. Cleaning to be done by blasting.
2. Car ends, sides and door to be painted with direct to metal paint.
3. The interior and exterior of doors are to be prime painted by the door supplier prior to shipment. The interior and exterior doors are to be finish painted.



N. PAINTING (cont'd)

4. The underframe is to receive one (1) coat of thin coat car cement.
5. Bolster top cover plate reinforcement channels are to be primed and finish painted.
6. Paint thickness, excluding trucks and underframe to be 3 mils dry film thickness minimum.
7. No paint to be applied to air hose, couplers, or wheels.
8. Lettering and stencilling is to be in accordance with AAR and per RR's requirements, including monogram.
9. ACI labels to be applied (non-bracketed).

ATTACHED TO CONDITIONAL SALE AGREEMENT DATED THIS  
DAY OF MAY, 1972 BY AND BETWEEN UNITED STATES  
RAILWAY EQUIPMENT CO., AND LOUISVILLE, NEW ALBANY &  
CORYDON R.R. CO.

Preliminary Specifications

Estimate #251

May 2, 1972

Rebuilt

SPECIFICATION - SERIES "B"

COVERING

PROCEDURE TO BE FOLLOWED FOR

8 - 40' 50-TON

PHD 1001-1400 SERIES

L.N.A.C. RAILROAD

REBUILT

MAY 2, 1972

A. GENERAL

1. This specification covers repairs required to rebuild the above cars to Class A condition.

The cars will carry a Rebuilt Date.

Each car will be modified in a substantial and workmanlike manner in accordance with AAR and DOT requirements for Rebuilt cars.

2. The specification, also, covers the reconditioning or replacement of speciality items necessary to update and extend the life of the car.
3. The 8 cars are to be taken from PHD Series 1001-1400.
4. All repairs are to be made in kind except for items covered in this specification.
5. All scrap steel and specialties to remain the property of U. S. Railway Manufacturing Company.

B. ROOFS

1. New galvanized roof to be applied without roof running boards. Seam caps to be #12 gage and roof sheets to be minimum of #14 gage.
2. Roof to be attached to superstructure by means of Huck type bolts or rivets, at the option of U. S. Railway Equipment Co.
3. No paint to be applied to interior or exterior surfaces of roof.
4. A suitable caulking compound is to be applied to the seam caps, and around the outside perimeter of roof sheets.

C. DOORS

1. New Superior steel sliding doors to suit 8'-0" door opening located on center line of car. The doors are to be furnished complete with fixtures and all accessory equipment.
2. No direct light is to be seen when door is closed and inspected from the inside of car. Reflective light is permissible.

D. SAFETY APPLIANCES

1. Roof running boards to be removed with safety appliances to be in accordance with latest DOT arrangement for high hand brake.
2. Roof safety appliances at "B" end of car to be secured to the side and end plate with suitable brackets.

D. SAFETY APPLIANCES (cont'd)

3. All ladder rungs, grabs, brackets, and stiles to be straightened or replaced as required.
4. Safety appliances will be attached by Huck type bolts or rivets at the option of U. S. Railway Equipment Co.

E. FLOOR

1. New floor to be installed consisting of 2-1/4" x 5-1/4" T&G yellow pine.
2. The floor boards extend from side sill to side sill.
3. Caulking is applied between the side sill and floor boards.
4. Grain strips are applied at each side of the car in accordance with AAR standards.
5. The heads of all bolts securing the floor, and the threshold plate, must be set at least 1/32" below top plane of each.
6. Each floor board is to be secured by at least three bolts. The attachment is to be by means of McLean-Fogg watertight bolts with floor clips and #2 speed nuts; or Huck or Townsend type bolts with clips and collars.
7. Suitable non-staining caulking compound to be used between edge of floor and end of threshold plate; and at the bottom of the door posts and floor.

F. END LINING

1. New wooden end nailers of yellow pine or fir to be applied as required. End nailers to be fastened to the steel end with weld studs and nuts.
2. New end lining to be installed. End lining to be 25/32" x 5-1/4" T&G yellow pine or 3/4" fir plywood to AAR paragraph 59 with 60 developing. Moisture content to comply with AAR limits.
3. New end lining top retainer to be applied.
4. The end lining is to rest on top of the floor.
5. The end lining is to be securely fastened to the nailers by using two nails per board in first, second, fourth, and sixth nailers; and one nail per board in the third and fifth nailer. Heads of nails are to be below surface of wood so that surface is smooth.

G. SIDE LINING

1. Door post nailers to be renewed.
2. Side post nailer and corner post nailer to be replaced where rotted, or where there are excessive holes and splits.
3. Side and corner post nailers, where replaced, to be secured with three 1/2" bolts through side and corner posts with ends of bolts peened over the nuts.
4. Remainder of old side and corner post nailers to be checked for tightness and secured as found necessary.
5. New side lining to be installed. Side lining to be 25/32" x 5-1/4" T&G yellow pine, or 3/4" fir plywood to AAR paragraph 59 with 60 developing. Moisture content to comply with AAR limits.
6. The side lining is to be securely fastened to the vertical nailers with screw nails. Heads of screw nails are to be below surface of wood so that surface is smooth.

H. DRAFT GEAR AND COUPLER ASSEMBLY

1. The couplers, coupler carriers, draft gears, yokes, and followers are to be removed from all cars.
2. Draft gears to be reconditioned.
3. The coupler, locks, and knuckles to be inspected for wear and cracks, and if not acceptable within AAR limits will be replaced with secondhand, to comply with AAR requirements.
4. The coupler yokes are to be inspected for wear and cracks, and if not acceptable within AAR limits will be replaced with secondhand or reconditioned yokes.
5. Draft keys are to be inspected and replaced if worn or distorted beyond AAR limits.
6. Draft gear followers are to be inspected and replaced if defective or dimensions are no longer within AAR limits.
7. Coupler carrier wear plates to be inspected and repaired as required.
8. Draft key slots to be repaired as required.
9. Draft key retainer to be hairpin type with 1/2" washer.

I. TRUCKS

1. All cars are to be furnished with 5-1/2" x 10" trucks for 50-Ton capacity.
2. Trucks are to be removed and disassembled for inspection and all parts are to comply with Interchange Rules for cars undergoing repairs.
3. Side frame column guides and bolster column gibs are to be restored to their original dimensions.
4. Side frames to be modified to accept roller bearings.
5. New steel wheels and roller bearings to be mounted on existing axles.
6. Truck springs to be tested and regrouped.
7. All trucks to be equipped with AAR approved #18 brake beams, new or reclaimed, as required.
8. All other truck parts to be repaired or replaced in kind as required.
9. Journals to be turned for application of roller bearings.

J. BRAKES

1. All air brake components are to be inspected and repaired in accordance
2. Air brake equipment to be cleaned, oiled, tested, and stencilled as of date released from our plant.
3. If necessary to replace angle cock and/or combined dirt collector and cutout cock, "O" ring seal key shall be used.
4. Handbrake to be reconditioned. Handbrake is to remain in its present location.
5. U-bolts are to agree with requirements of Interchange Rule.
6. Welded type pipe clamps are to be applied.
7. Angle cock to be relocated to agree with AAR requirements.
8. Retainer valve is to be relocated to side sill area in accordance with AAR location . New 3-position retainer valve to be applied.
9. Brake cylinder release valve to be applied.
10. Lock type insert nuts to be applied at brake cylinder, brake reservoir, and triple valve.
11. Double acting slack adjuster to be applied.
12. Holes in brake cylinder lever and fulcrum lever to be relocated as required to meet braking force requirements as closely as possible for 50-Ton capacity cars.

J. BRAKES (cont'd)

13. Trainline -- 1-1/4" pipe and 1" branch pipe to have welded fittings applied, threadless fittings to be applied to 3/4" and 3/8" pipe.

K. ROUTE AND PLACARD BOARDS

1. New route and placard board brackets and boards to be applied.

L. UNDERFRAME

1. New 5/16" x 3" x 10" pressing side sill reinforcement is to be applied, running from bolster to bolster. This pressing will be attached to the side sill angle by means of welding Huck bolts at cross ties and cross bearings.

The sub side sill fabricated will be a section with fishbelly, and trimmed straight at each end.

Suitable plate gussets will be added at each crosstie, crossbearer, and bolster, and welded to these members and to the pressing to form a connection between each.

2. The cars at present are equipped with two stringers on each side of the center sill, running from bolster to bolster; and two stringers extending bolster to end sill.

The existing stringers will remain as is, and one additional 3" I beam stringers will be applied on each side making a total of six stringers. These stringers will be attached by 3" Zee clips only at bolster and crossbearers.

A gusset will be added to connect the side sill and end sill at each corner of the car.

3. Broken crossbearers, crossties, and brackets will be restored to an acceptable condition, or replaced if beyond repair.
4. If center sill is cracked or broken at draft key slots, it will be repaired by AAR standard practice.
5. Body bolsters will be repaired as required, top cover plate reinforcement and body bolsters sole plates to be applied 100%.
6. Spark shields to be applied.
7. Center sill to be built up to conform with AAR Rules.

M. SUPERSTRUCTURE

1. A 5/16" exterior door gusset reinforcement will be applied at each bottom corner of the door opening. This gusset will be attached to the door post, side sill, and reinforcement by welding, or by Juck type bolts.
2. Corner posts or side posts corroded beyond 50% of the original section at the bottom are to have a new 12" splice piece, of same section, welded in place.
3. If side sheets are corroded at the side sill more than 50% of the original thickness (.010") sections are to be removed. A 1/8" thick sheet is to be applied to the exterior of the remaining portion extending at least 1" beyond the opening and continuously welded all around.
4. The door opening is to be increased to 8'-0".
5. A 3/8" flat bar to reinforce side plate will be added in the doorway extending to the first side post beyond the door posts, and attached by means of Huck type bolts.
6. New threshold plates are to be installed.
7. End sills will be replaced as required.
8. When bottom of end sheets are cracked or broken, a steel plate will be welded over the exterior extending 2" or more beyond the crack or break.
9. If end sheets have been bulged out, they will be straightened to within 1/4" of vertical, wherever possible.
10. If side posts are bowed excessively, they are to be straightened to within 1/4" of vertical, wherever possible.

N. PAINTING

1. Car exterior surface to be cleaned prior to painting. Cleaning to be done by blasting.
2. Car ends, sides and door to be primed and to receive finish coat direct to metal paint.
3. The interior and exterior of doors are to be prime painted by the door supplier prior to shipment. The interior and exterior doors are to be painted.
4. The underframe and trucks to be painted with one coat black.
5. Paint thickness, excluding trucks and underframe to be 2-1/2 mils dry film thickness minimum.
6. No paint to be applied to air hose, couplers, or wheels.
7. Lettering and stencilling is to be in accordance with AAR requirements.
8. ACI labels to be applied (non-bracketed).